



**CORRECTED
FISCAL MEMORANDUM**

SB 279 - HB 327

March 14, 2023

SUMMARY OF BILL AS AMENDED (005109): Removes the requirement that the nonprofit partner of the Governor's Office of Faith-Based and Community Initiatives (Office) use its own revenues to cover the cost of the nonprofit partner's activities. Allows a state employee to receive compensation from the nonprofit partner's funds that do not come from charitable donations. Deletes the statement of the General Assembly's intent that the state not realize any increased cost as a result of the Office.

FISCAL IMPACT OF BILL AS AMENDED:

The Department of Finance and Administration provided information that changes the fiscal impact of the proposed legislation. The fiscal impact is updated as follows:

(CORRECTED)

Increase State Expenditures – \$1,486,950/FY23-24 and Subsequent Years

The Governor's proposed FY23-24 budget on page B-27 includes \$1,200,000 in recurring funding for the Office of Faith-Based and Community Initiatives.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 4-32-103, the Office may partner with a nonprofit public benefit corporation in order to carry out the purposes of the Office; however, any costs to underwrite the nonprofit partner's activities related to the Office must be borne from revenues of the nonprofit partner.
- Pursuant to Tenn. Code Ann. § 4-32-104(a), it is the intent of the General Assembly that the state not realize any increased cost as a result of the activities of the Office.
- The proposed legislation would authorize state dollars to be used to fund the nonprofit partner's activities, and allow state employees to benefit from the nonprofit partner's proceeds, to the extent that any compensation must not come from charitable funds donated by the public.
- According to the Department of Finance and Administration, state funds will be provided to cover payroll expenses for the office.
- The following costs have been provided by the Department of Finance and Administration for the payroll of three current employees and eleven new employees hired throughout the year.

- The current executive director, executive assistant, and regional director are estimated to result in an increase in state expenditures of \$342,700 in FY23-24.
- Four initiative directors and seven regional directors will be hired in FY23-24 resulting in an increase in state expenditures of \$1,144,250.
- The increase in state expenditures in FY23-24 and subsequent years will be \$1,486,950 (\$342,700 + \$1,144,250).
- According to the Department of Finance and Administration, the annual operational expenditures of \$581,850 will not be funded through state funds and will be accommodated through the nonprofit partner's revenue.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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